

MONTANA TEACHERS' RETIREMENT SYSTEM
2006 ANNUAL STATEMENT OF ACCOUNT
(General Information)

The Teachers' Retirement System (TRS) has revised your annual statement for fiscal year 2006, providing information regarding your TRS account. If you are an active member of the TRS, your annual statement has been mailed to your respective employer for distribution and if you are an inactive vested member, it has been mailed to the address on file, if available.

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MONTANA TEACHERS' RETIREMENT SYSTEM
1500 E 6TH AVENUE
PO BOX 200139
HELENA MT 59620-0139
406 444-3134

ANNUAL STATEMENT OF ACCOUNT

Jane J. Doe
1234 Anyplace
Suite A
Helena, MT 59601

Date of Birth: June 13, 1967

PRIMARY BENEFICIARIES:
Adam A. Doe
Bob B. Doe
Carol C. Doe
Don D. Doe
Edward E. Doe
Frank F. Doe

FIRST CONTINGENT BENEFICIARIES:
George G. Doe
Henry H. Doe
Irene I. Doe
Jack J. Doe
Kari K. Doe
Larry L. Doe

NOTE: Changes to your name, address and/or beneficiary designation(s) must be made in writing. Request forms are available on the Teachers' Retirement System (TRS) website at www.trs.mt.gov.

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SERVICE CREDIT
July 1, 2005 - June 30, 2006

Earned1.00
Purchased0.00
Purchases in Progress0.50
Total Years of Service Credit24.50

Full-time service means full-time employment extending over a normal academic year of at least nine months in one Fiscal Year (FY), July 1st - June 30th. A maximum of one year of creditable service (i.e., 1.00) shall be awarded for each FY.

Part-time service means service that is less than full-time and shall be credited in the proportion that the actual time worked compares to full-time service. For example: A member who is employed in a 9-month position for 6 full months would receive 6/9 or .67 of a year service credit.

Members who have been employed in a part-time or hourly capacity should review their annual statement and bring any discrepancies to the attention of the TRS. After verification is provided to the TRS, the service record will be corrected. Retirement benefits must be based on service upon which contributions were made. If service credit is under or overstated, your service will be adjusted accordingly.

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CONTRIBUTIONS
July 1, 2005 - June 30, 2006

Earned\$ 5,000.00
Additional Contributions\$ 0.00
Interest Earned**\$ 200.00
Total Account Balance***\$ 101,000.00

**FY 2006, interest accrued at an annual rate of 4%.

***Refund amount available as of June 30, 2006. When you terminate your employment, instead of a monthly benefit for life, you may receive a lump-sum refund of your contributions plus interest. A refund cancels all membership privileges, beneficiary designation(s), service credit, and rights to monthly retirement benefits and disability benefits.

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DISCLAIMER: This statement is for informational purposes only. Values shown are ESTIMATES. Actual retirement calculations are based on records on file with the TRS Board, not on the information on this statement. Should any information in this statement conflict with statute or rule, statute or rule will apply. Retirement calculations use actuarial factors currently in effect. If those factors change, the estimates may also change.

INITIAL MONTHLY BENEFIT

The monthly benefit you would be eligible to receive as of July 1, 2006.

If you continue contributing until age 50 and your benefit started July 1st following your 50th birthday.

If you continue contributing until age 55 and your benefit started July 1st following your 55th birthday.

If you continue contributing until age 60 and your benefit started July 1st following your 60th birthday.

If you continue contributing until age 65 and your benefit started July 1st following your 65th birthday.

\$ 1,000.00

\$ 2,250.00

\$ 2,500.00

\$ 2,750.00

\$ 3,000.00

NOTE: The salary used to calculate future benefits assumes a 1.5% annual salary increase. If you currently contribute to the TRS, your service credit is projected to retirement at the ages indicated. If you are no longer contributing, your service credit is not projected past your termination date. In either case, service purchase in progress is not included in the calculation.

A Guaranteed Annual Benefit Adjustment (GABA) of 1.5% is paid each January after you have been retired for 36 months.

1. Beneficiary Information

The information provided in this section reflects the most recent beneficiary designation on file with the TRS. Please verify that your name, mailing address, birth date, and beneficiary designation information are correct. If any updates are needed, please access the TRS website at www.trs.mt.gov. Click on the 'Members' button. When the dropdown box appears, select the 'Forms' option. Please complete all necessary forms in their entirety and mail to the TRS.

With regard to your beneficiary designation, due to space limitations only six primary beneficiary(s) and six first contingent beneficiary(s) can be listed on your annual statement. However, more may actually be on file with the TRS.

2. Service Credit

The service credited to your account reflects the full-time equivalence (FTE) reported each month by your employer. The TRS staff will audit your account to confirm your service credit prior to your retirement date. The 'Total Years of Service Credit' presented on the annual statement represents the current fiscal year activity 'Earned', added to previous fiscal year(s) activity.

3. Contributions

The contributions 'Earned' reflect the contributions withheld by your employer and reported on your behalf to the TRS during the 2005-2006 fiscal year. The 'Total Account Balance' presented on the annual statement represents the current fiscal year contribution 'Earned', added to previous fiscal year(s) contribution activity, plus interest.

Note: 'Additional Contributions' will represent contributions withheld and reported, on a tax-deferred basis, and/or personal payments with after tax dollars, for the purpose of purchasing additional service credit, *if eligible*.

4. Initial Monthly Benefit

If eligible an 'Initial Monthly Benefit' is provided to assist you with pre-retirement planning. The TRS may not have been able to calculate your 'Initial Monthly Benefit' for several reasons:

- Your birthdate is not available;
- Your age has past age 50, 55, 60 or 65;
- You are not vested (5.00 years of full-time service credit required);
- You were employed on a part-time or hourly basis within the last three years of employment, requiring a manual review and calculation, or;
- Your earnings may have grown more that 110% of a prior year's earnings in any one of your last three highest consecutive fiscal years. When this occurs the 10% statutory limitation must be applied, requiring your estimate be calculated manually by the TRS staff.